

National Credit Union Administration



Operating Fund

***Financial Highlights
April 30, 2005***

**Dennis Winans
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
April 30, 2005

Balance Sheet

Overnight Investments increased \$39.0 million (net) mainly as a result of operating fees being collected; partially offset by payment of operating expenses.

Accounts Receivable decreased \$43.4 million (net). The majority of the decrease was the result of \$42.6 million in operating fees being collected.

Accrued Employee Compensation increased by \$291,000 due to the accrual for 10 days at the end of April versus only 9 days in the previous month. On the first working day of the month, the accruals are reversed.

Other Current Liabilities decreased \$5.2 million. Monthly recognition of deferred income caused the majority of the decrease. The outstanding balance of \$39.9 million will be recognized evenly over the remaining calendar period.

Statement of Revenue and Expense

Net income for the month was \$438,000 higher than planned due to all expenses being under budget.

Statement of Cash Flow

Cash increased by \$39.0 million for the month. For the month of April, \$42.6 million of operating fees were collected. Operating fees of \$1.4 million remain outstanding.

Budget (Year-to-Date)

Agency spending was under budget by \$6.0 million or 12.3 percent. Pay, benefits and travel were under budget by 10.8%, and comprised \$4.4 million or approximately three-quarters of the total budget variance. The remaining variance of \$1.6 million was derived mainly from contracted services.

Vacancies

The agency had 54 vacancies as of April 16 -- down from 58 in March. Of the 54 vacancies, there were 33 vacancies in the central office, 12 vacancies in the regional offices and AMAC, and 9 vacancies in the field staff. The 54 vacancies represent 5.62 percent of total authorized staff of 960.97.

National Credit Union Administration Operating Fund
Balance Sheets & Changes in Fund Balance
April 30, 2005

	April 2004	March 2005	April 2005
ASSETS			
ASSETS:			
Current Assets			
Cash	\$5,140.23	\$5,388.52	\$5,356.11
Overnight Investments	53,008,000.00	22,369,000.00	61,445,000.00
Accounts Receivable	13,178,866.97	45,268,253.35	1,846,923.15
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	646,198.84	658,137.08	663,025.84
Home Purchase Program	317,144.45	571,165.33	571,165.33
Other	0.00	(900.00)	(500.00)
<i>Total Current Assets</i>	<u>67,155,350.49</u>	<u>68,871,044.28</u>	<u>64,530,970.43</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	28,968,943.00	28,342,597.00	28,269,687.00
Capital Lease	2,024,894.71	1,072,683.47	987,772.13
Equipment	1,795,784.45	1,968,566.09	2,072,449.09
Other	0.00	0.00	0.00
<i>Total Property, Plant, and Equipment</i>	<u>36,735,886.11</u>	<u>35,330,110.51</u>	<u>35,276,172.17</u>
TOTAL ASSETS	<u><u>103,891,236.60</u></u>	<u><u>104,201,154.79</u></u>	<u><u>99,807,142.60</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	1,399,805.96	836,159.62	1,302,837.63
Accrued Employee Compensation	14,821,497.43	13,817,297.56	14,108,176.90
Other Current Liabilities	40,111,661.22	46,541,734.59	41,381,543.88
<i>Total Current Liabilities</i>	<u>56,332,964.61</u>	<u>61,195,191.77</u>	<u>56,792,558.41</u>
Non-Current Liabilities			
Notes Payable	26,036,537.21	24,807,344.52	24,695,599.73
Other	1,864,534.65	1,075,590.95	818,464.42
<i>Total Non-Current Liabilities</i>	<u>27,901,071.86</u>	<u>25,882,935.47</u>	<u>25,514,064.15</u>
TOTAL LIABILITIES	<u><u>84,234,036.47</u></u>	<u><u>87,078,127.24</u></u>	<u><u>82,306,622.56</u></u>
FUND BALANCE:			
Beginning Balance	17,246,526.20	14,934,623.95	14,934,623.95
Current Year Earnings	2,410,673.93	2,188,403.60	2,565,896.09
TOTAL FUND BALANCE	<u><u>19,657,200.13</u></u>	<u><u>17,123,027.55</u></u>	<u><u>17,500,520.04</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$103,891,236.60</u></u>	<u><u>\$104,201,154.79</u></u>	<u><u>\$99,807,142.60</u></u>

National Credit Union Administration Operating Fund
Statement of Revenue & Expense
April 30, 2005

	April 2005 Monthly Actual	April 2005 Monthly Budget	April 2005 Year-To-Date Actual	April 2005 Year-To-Date Budget	April 2004 Year-To-Date Actual
REVENUE:					
Interest Income	\$108,362.45	\$41,666.66	\$214,365.99	\$166,666.64	\$94,707.67
Program-related Income	5,166,883.00	5,067,500.00	20,628,311.89	20,270,000.00	19,737,812.70
Other Income	10,064.50	12,500.00	63,076.67	50,000.00	32,089.79
Total Revenue	<u>5,285,309.95</u>	<u>5,121,666.66</u>	<u>20,905,754.55</u>	<u>20,486,666.64</u>	<u>19,864,610.16</u>
EXPENSES:					
Employee Pay	3,039,403.14	3,105,589.60	11,546,413.66	12,567,540.27	10,976,250.79
Employee Benefits	785,840.16	803,248.48	3,038,286.94	3,249,406.68	2,786,150.91
Employee Travel	367,495.61	459,343.80	1,163,792.34	1,837,375.22	1,048,063.50
Rent/Communications/Utilities	124,043.29	140,828.60	463,696.61	563,314.35	630,556.47
Administrative Costs	349,437.15	376,191.47	1,570,561.59	1,504,766.00	1,515,919.70
Contracted Services	241,598.11	296,929.93	557,107.32	1,187,719.85	496,994.86
Total Expenses	<u>4,907,817.46</u>	<u>5,182,131.88</u>	<u>18,339,858.46</u>	<u>20,910,122.37</u>	<u>17,453,936.23</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u><u>\$377,492.49</u></u>	<u><u>(\$60,465.22)</u></u>	<u><u>\$2,565,896.09</u></u>	<u><u>(\$423,455.73)</u></u>	<u><u>\$2,410,673.93</u></u>

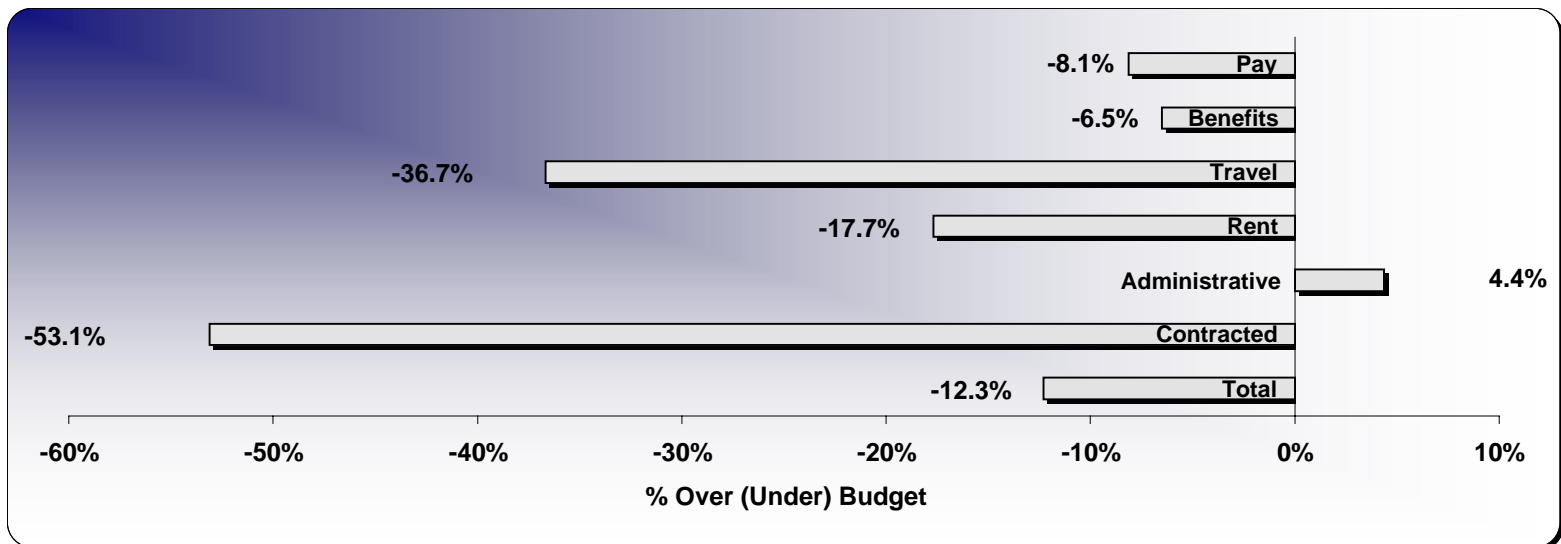
National Credit Union Administration Operating Fund
Statement of Cash Flow
April 30, 2005

	Month April 2004	Month April 2005	Y-T-D April 2004	Y-T-D April 2005
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$33,463,105.76	\$42,557,750.63	\$47,239,135.45	\$60,517,341.75
Interest received from cash and cash equivalents	36,146.90	108,362.45	94,707.67	214,365.99
Other income received	6,492.09	10,064.50	32,089.79	63,076.67
(Cash paid for operating expenses)	(4,240,106.47)	(2,911,753.36)	(16,684,724.65)	(15,548,600.23)
Net cash (used) provided by operating activities:	<u>29,265,638.28</u>	<u>39,764,424.22</u>	<u>30,681,208.26</u>	<u>45,246,184.18</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(252,275.77)	(208,923.97)	(581,885.81)	(337,321.19)
(Capital lease payments)	(373,486.60)	(367,787.87)	(772,538.23)	(741,143.48)
Proceeds (purchases) home purchase program	0.00	0.00	(317,144.45)	(497,186.91)
Net cash (used) in investing activities	<u>(625,762.37)</u>	<u>(576,711.84)</u>	<u>(1,671,568.49)</u>	<u>(1,575,651.58)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(446,979.16)	(446,979.16)
Net cash (used) in financing activities	<u>(111,744.79)</u>	<u>(111,744.79)</u>	<u>(446,979.16)</u>	<u>(446,979.16)</u>
NET INCREASE (DECREASE) IN CASH	28,528,131.12	39,075,967.59	28,562,660.61	43,223,553.44
Cash and cash equivalents at beginning of period	24,485,009.11	22,374,388.52	24,450,479.62	18,226,802.67
Cash and cash equivalents at end of period	<u>\$53,013,140.23</u>	<u>\$61,450,356.11</u>	<u>\$53,013,140.23</u>	<u>\$61,450,356.11</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	<u>\$395,499.25</u>	<u>\$377,492.49</u>	<u>\$2,410,673.93</u>	<u>\$2,565,896.09</u>
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	167,328.77	262,862.31	618,801.74	1,054,875.89
Unrealized (gain) loss	0.00	0.00	0.00	44,119.74
(Gain) loss on disposal of fixed assets	3,720.00	0.00	3,720.00	0.00
(Gain) loss on disposal of homes	0.00	0.00	0.00	0.00
Interest expense on leases	15,120.92	4,787.81	32,928.07	11,591.54
Miscellaneous allowances	(9,302.11)	0.00	1,575.77	(0.00)
Change in current assets and liabilities				
(Increase) decrease in assets:				
SIF repayment of Operating Fund for leases	105,873.53	105,873.53	211,747.06	211,747.06
Accounts receivable	33,458,102.68	43,421,330.20	(10,737,707.77)	(1,019,361.10)
Interest receivable	0.00	0.00	583.97	0.00
Prepaid expenses	(234,131.86)	(4,888.76)	(378,981.16)	(75,018.74)
Other assets	962,523.31	(400.00)	0.00	500.00
Increase (decrease) in liabilities:				
Accounts payable	(111,691.38)	466,678.01	(1,051,894.38)	(1,015,741.84)
Accrued employee compensation	292,346.15	290,879.34	(898,098.99)	2,147,389.66
Other non current liabilities	90,957.42	0.00	222,989.85	0.00
Other current liabilities	(5,870,708.40)	(5,160,190.71)	40,244,870.17	41,320,185.88
Total adjustments	<u>28,870,139.03</u>	<u>39,386,931.73</u>	<u>28,270,534.33</u>	<u>42,680,288.09</u>
Net cash (used) provided by operating activities	<u>\$29,265,638.28</u>	<u>\$39,764,424.22</u>	<u>\$30,681,208.26</u>	<u>\$45,246,184.18</u>

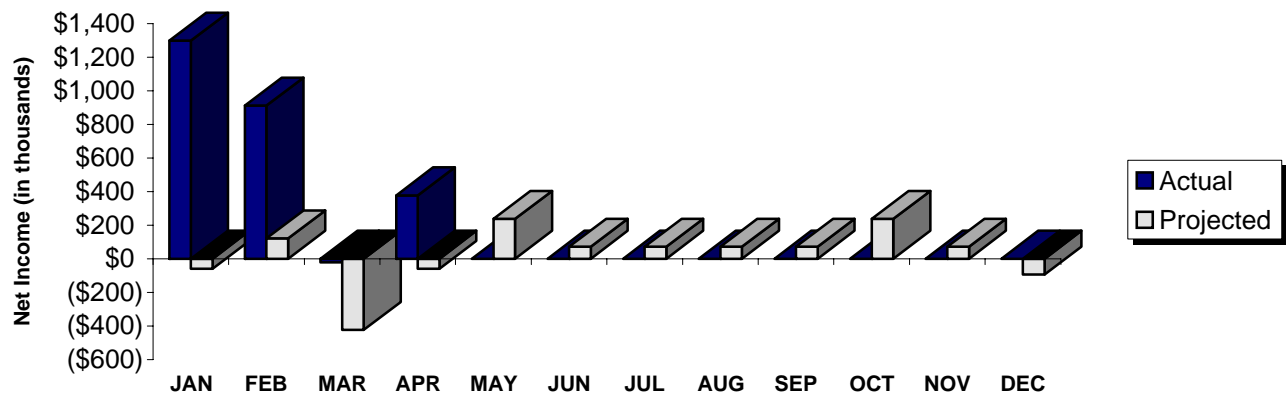
National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
April 30, 2005

	2005				2004			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	29,226,838	26,852,125	(2,374,713)	-8.1%	29,395,911	27,304,106	(2,091,804)	-7.1%
Benefits	7,556,760	7,065,784	(490,976)	-6.5%	7,517,114	6,930,724	(586,390)	-7.8%
Travel	4,272,966	2,706,494	(1,566,472)	-36.7%	4,497,392	2,607,123	(1,890,269)	-42.0%
Rent, Communications, & Utilities	1,310,033	1,078,364	(231,669)	-17.7%	1,481,788	1,568,548	86,761	5.9%
Administrative	3,499,456	3,652,469	153,013	4.4%	4,218,484	3,770,945	(447,539)	-10.6%
Contracted Services	2,762,139	1,295,598	(1,466,541)	-53.1%	2,727,750	1,236,306	(1,491,444)	-54.7%
TOTAL	48,628,191	42,650,834	(5,977,358)	-12.3%	49,838,438	43,417,752	(6,420,686)	-12.9%

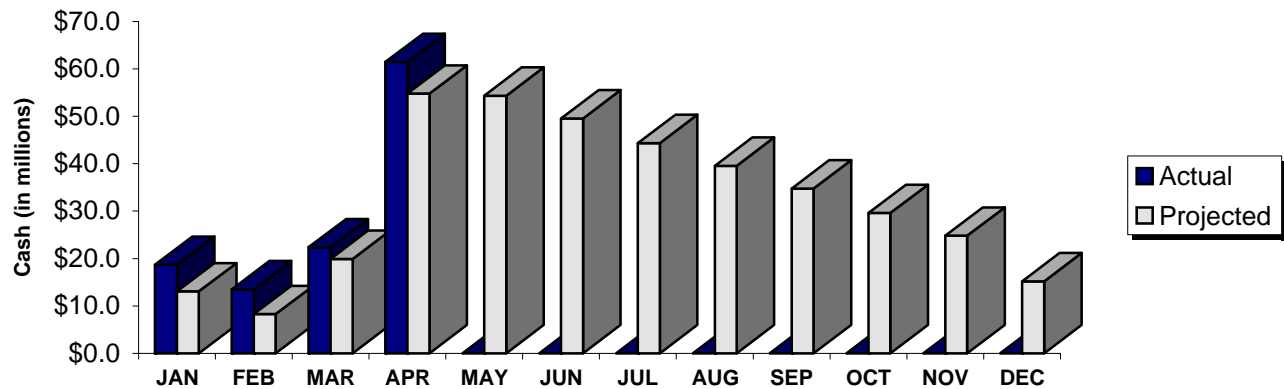
Percent Over (Under) Budget
April 30, 2005



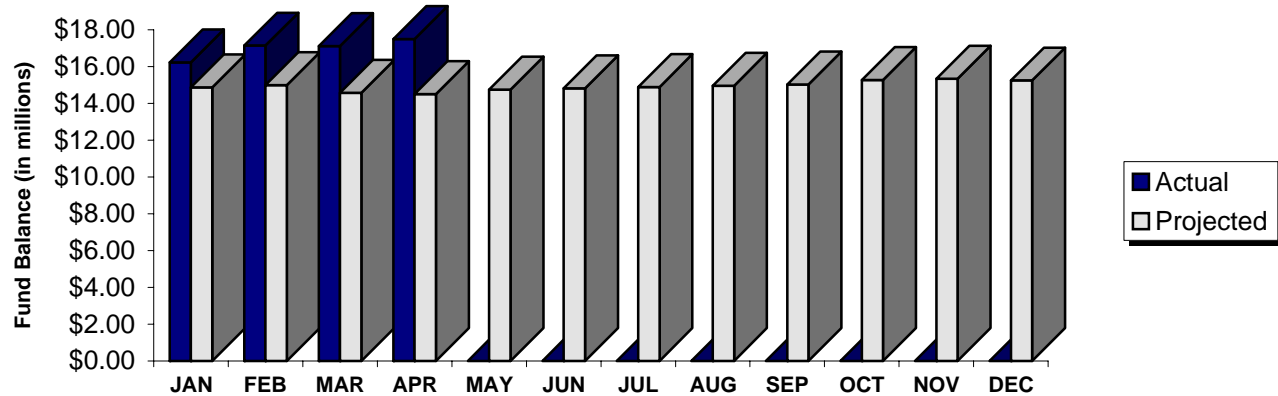
Actual & Projected Net Income (2005)



Actual & Projected Cash Balance (2005)



Actual & Projected Fund Balance (2005)



National Credit Union Administration Operating Fund
Ratios
April 30, 2005

BALANCE SHEET	April 2004	April 2005
<u>Liquid assets / Total assets</u>	51.03%	61.57%
<u>Current assets / Total assets</u>	64.64%	64.66%
<u>Fixed assets / Total assets</u>	35.36%	35.34%
<u>Current liabilities / Total assets</u>	54.22%	56.90%
<u>Non current liabilities / Total assets</u>	26.86%	25.56%
<u>Retained Earnings / Total assets</u>	18.92%	17.53%
STATEMENT OF REVENUE & EXPENSE		
<u>YTD Interest & other income / Total revenue</u>	0.64%	1.33%
<u>YTD Program related income / Total revenue</u>	99.36%	98.67%
<u>YTD Expenses / Total revenue</u>	87.86%	87.73%
<u>YTD Net income / Total revenue</u>	12.14%	12.27%
CASH		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	\$28.6	\$43.2
<u>Cash end of month - Cash beginning of year / Cash BOY</u>	116.8%	237.1%
<u>Cash and cash equivalents / Total assets</u>	51.0%	61.6%